

18 October 2021

GPT grows Logistics portfolio to \$4.1 billion with Ascot Capital portfolio acquisition

The GPT Group ('GPT') today announced the acquisition of a portfolio from Ascot Capital, comprising 23 Logistics assets and one Office asset for \$681.7 million. Settlement of the transaction is expected in November 2021.

GPT's Chief Executive Officer, Bob Johnston, said: "The Ascot portfolio with a 9 year WALE and strong tenant covenants is a great addition to GPT's existing \$3.5 billion Logistics portfolio, and is in line with our strategy to continue to grow our exposure to the Logistics sector through developments and acquisitions. The acquisition will increase GPT's investment portfolio weighting to the Logistics sector to 26%, progressing us closer toward our medium-term target of approximately 30%. Growth in the sector will also be realised through GPT's Logistics development pipeline, with an expected end value of approximately \$1.4 billion."

The acquired portfolio is 75% weighted to eastern seaboard states and the ACT. The 23 Logistics assets acquired, totalling 161,700 square metres (sqm) of gross lettable area, are located across Australia, and are fully leased with a weighted average lease expiry (WALE) at 30 September 2021 of 9.8 years. The 6-level 10,200 sqm Office asset acquired is well located in the Canberra CBD, with a WALE of 4.7 years at 30 September 2021. Approximately 70% of the acquired portfolio by income is leased to Government, ASX listed or multinational entities which is in line with GPT's existing portfolio. Three Office assets and one Logistics asset from the original portfolio being marketed for sale by Ascot Capital were not acquired by GPT.

Mr Johnston added: "Strong levels of take up for prime Logistics space has resulted in low vacancy rates in the sector and demand is expected to continue to be underpinned by growing investment in supply chain infrastructure. The Ascot portfolio acquisition will increase our Logistics portfolio to \$4.1 billion and reaffirms GPT's significant position in the Australian Logistics market."

The debt funded transaction will take gearing to 27.9% (pro forma 30 June 2021), remaining below the mid-point of GPT's target gearing range of 25% to 35%. The transaction has an initial yield of approximately 4.3% and is accretive to Funds From Operations in year one.

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Authorised for release by The GPT Group's Managing Director and Chief Executive Officer Bob Johnston.

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